Tea Prices

1712. SHRI MORESHWAR SAVE: Will the Minister of COMMERCE be pleased to state:

(a) whether due to absence of the Russian buyers, there is sharp decline in tea prices;

(b) if so, the details thereof; and

(c) the steps taken by the Government to protect the interest of tea growers and to find alternative markets abroad?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) and (b): No sharp decline is seen in the Indian auction prices due to the absence of Russian buyers. The overall decline in prices during 1991 was a world wide phenomenon. As against the 7% decline in the prices in Indian auction centres, 18%, 28%, and 9% was registered in Colombo, Jakarta and London respectively.

(c) For promotion of exports of Indian tea, the Assam and Darjeeling tea logo campaigns have been launched in UK and a Brand Promotion Scheme has been in operation. Apart from this, various incentives like full excise duty rebate on tea exports, duty drawback on packaging material etc have been extended. Industry delegations have also been allowed to various countries to develop markets.

Cash Reserve Ratio with Reserve Bank of India

1713. SHRIMATI MARGATHAM CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Cash Reserve Ratio (CRR) being maintained by banks with the Reserve Bank of India accounts for Rs. 30,000 crores;

(b) if so, the total amount of interest incurred on CRR per annum;

(c) whether it is proposed to reduce the CRR and offer low interest thereon;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Reserve Bank of India (RBI) has reported that as per the latest data available, Scheduled Commercial Banks (including Regional Rural Banks) are required to maintain an average daily balance of about Rs. 37600 crores with the RBI during the fortnight ended February, 1992.

(b) The total amount of interest paid by RBI to Scheduled Commercial banks amounted to Rs. 2431 crores in 1990-91.

(c) to (e): The Cash Reserve Ratio (CRR) is an instrument of monitory control and the Ration increased or decreased in accordance with the evolving situation. The interest rate on these balances is also varied from time to time. RBI is of the view that the cash reserve Ratio at present and the interest paid thereon are considered appropriate. However, the matter is kept under ongoing review and changes are made as and when considered necessary.

[*Translation*]

Talks with Foreign Countries about Smuggling on Border

1714. SHRI VILASRAO NAGNATHRAO GUNDEWAR: Will the Minister of FINANCE be pleased to state: